

Workforce State of Mind

Sixth Annual Workplace Mental Health Trends Report



Introduction

The last few years have drastically altered the way we think about mental health in the workplace and the way work impacts our personal lives. With frequent change becoming a constant – from work-from-home adjustments to return-to-office mandates; from the Great Resignation to mass layoffs – it has become the norm to expect the unexpected. As <u>Gartner</u> found, in 2022 alone, the average employee experienced 10 planned enterprise changes – overseen and supported by HR (including restructuring, new tech systems, cultural changes, etc.) – up from just two in 2016.

With ongoing economic instability, political uncertainty, and global conflicts, workplaces have become a setting where many employees seek a sense of belonging, psychological safety, and community. The way employees think about their mental health with regard to work has changed substantially. In many ways, this is great news. Since 2020, there has been a drastic decrease in the stigma that surrounds mental health within many workplaces. Employees are more eager to hear their leaders speak about mental health, and many more leaders feel comfortable doing so. While only 35% of employees in 2020 reported that their company's leaders talk about their own mental health, 89% say their leaders do so today.



This shift has created an environment where employees need – and in many cases, expect – more support when it comes to mental health. With constant, often tumultuous change both within the workplace and around the world, employees are feeling stress from all angles. In fact, 98% of employees say global trends impact their emotional and mental health at work. To support employees through continued instability, employers are seeking ways not just to provide mental health support, but to integrate a focus on wellbeing and resilience throughout their workplace culture.

"The magnitude of navigating the postpandemic world – a large-scale transition of entire workplace structures and cultures, with massive economic and political uncertainty in the backdrop – has created an enormous strain on both employees and leaders alike. Identifying and continually incorporating practices that support our mental health, while strengthening connection and resiliency, will ensure we are all better equipped to cope when hard times come along."



Karan Singh COO and Chief People Officer, Headspace

In order to help employees feel happier, healthier, and better able to weather change, organizations need to instill a culture of transparency and find opportunities to invest in employee mental health and resilience. Let's look at five key trends and actionable tips leaders can implement today.

What we measured

In our sixth annual survey on workplace mental health, we partnered with Dimensional Research to conduct a survey among employees, CEOs, and HR leaders in the U.S. and U.K. in January and February 2024. To enable trend analysis, select questions were repeated from similar 2019, 2020, 2021, 2022, and 2023 surveys.

Employees

2,006 RESPONDENTS

- Respondents in the UK and the US working > 30 hours per week spanning knowledge, service, and manual workers
- Survey asked wide range of questions about experiences with mental health and employee benefits

CEOs

207 RESPONDENTS

- Respondents in the UK and the US working > 30 hours per week
- CEO, president, or an equivalent business leader at a company that offers job benefits and has at least 100 employees
- Asked about their experiences with mental health and about their company's mental health benefits for employees

HR Leaders

245 RESPONDENTS

- Respondents in the UK and the US
- Survey includes wide range of questions about their experiences with mental health, including questions on company benefits for employees

5 key insights on mental health at work in 2024

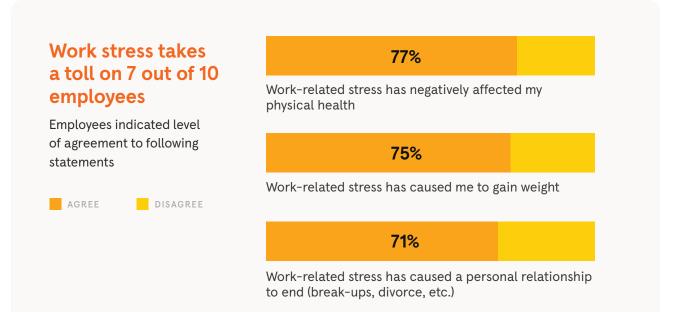


ONE Work stress impacts personal lives significantly

Nearly half of employees say the majority of their stress comes from work

For the vast majority of people, work-related stress doesn't end after their shift.

Nearly half (47%) of employees and two-thirds (66%) of CEOs say the majority of their stress or all of their stress comes from work, rather than from their personal lives. This stress takes a considerable toll on employees' health and happiness, creating challenges outside of the workplace that can have a lasting impact. 77% of employees say that work stress has negatively impacted their physical health, and 75% say it caused them to gain weight.





of employees say workrelated stress has contributed to serious mental health challenges, such as substance use or suicidal ideation Work stress is also driving a high rate of breakups and divorces: 71% of employees say work stress has caused a personal relationship to end. Further, 39% of employees report that work has negatively impacted their ability to care for their family or children's mental health, and 37% say it has contributed to serious mental health challenges, such as substance use or suicidal ideation.

While work can be a significant source of stress and create challenges in employees' personal lives, workers report that it's not all bad. Work can also have positive impacts on employee wellbeing: 53% of employees report that work helps them find a community of people with similar lived experiences, and 48% say work improves their confidence or sense of self. These positive impacts can drive deeper engagement at work and foster healthier workplace environments.

Overall, this data indicates that the impact of work stress goes beyond the workplace, having a substantial impact on overall health. Stress from work can become cyclical, causing lasting impacts on one's mental and physical health that further diminish a person's ability to perform at work and to be their best selves during their personal time. In order to address these challenges, it's important to move beyond a focus on "work-life balance" and instead, build a culture that fosters minimal work-life impact, empowering employees to set boundaries between work and personal life.

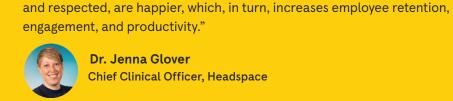
"Agile businesses need to take a proactive, rather than a reactive, approach to employee mental health. Employees who feel heard, cared for, seen,

TAKE ACTION

What can you do to help employees feel less stressed and create healthy boundaries between work life and personal life?



of healthcare workers report high or extreme stress



Dr. Jenna Glover **Chief Clinical Officer, Headspace**

Encourage employees to set healthy boundaries

In recognizing the impact that work stress can have on an individual's personal life including their relationships and their mental and physical health - it's important to create an environment where employees feel comfortable creating space from work. Make it clear that employees should create boundaries by signing off at a certain time or not responding to work messages outside of working hours. Leaders can reinforce this as a priority through modeling their own boundary-setting. This includes ending meetings on time, including time for transition breaks, and using schedule-send message features so employees only receive communications during working hours.

Make space in work schedules to support teams in creating those boundaries

When organizations identify time that employees can take to focus or to care for themselves, it helps employees better understand how they can set these boundaries for themselves. For example, Headspace holds every other Friday as a no-meeting day for extra focus time and also offers MINDays - days employees can unplug and take care of their minds throughout the year.



Headspace users say the top three things they do to relieve stress are breathing and meditation, going on a walk, or exercising.

Create opportunities for flexibility in and outside of work

Managers should make it clear when employees are expected to be available and when there is flexibility (for example, whether they are required to participate in virtual meetings on or off camera). Invite open communication so employees feel comfortable speaking up and asking for flexibility or specific accommodations when they may need extra support.

Offer comprehensive mental health benefits to meet employees where they are

Work stress has a larger impact on employees' personal lives when employers don't offer comprehensive mental health benefits. Given that <u>91% of parents</u> are worried about their children's mental health and <u>74% of all parents</u> took some amount of time off of work during the school year to support their child's mental wellness or academic performance, it's important for employers to consider the needs of the entire family. When employers offer tailored, comprehensive solutions, employees are more likely to use and see positive outcomes from their benefits.



TWO

Interpersonal relationships can make or break workplace mental health

53% of employees say that work has helped them find a community of people with similar backgrounds or lived experiences

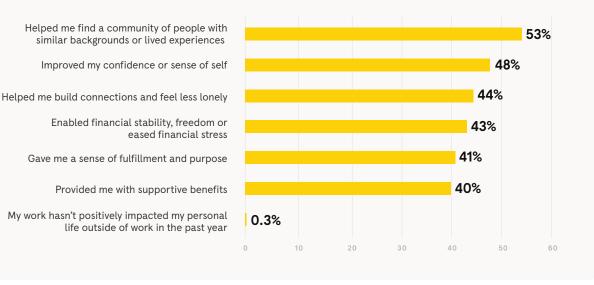
••• >_

In 2023, the World Health Organization (WHO) declared loneliness to be a pressing global health threat.

Nearly one in four people worldwide, which translates into more than a billion people, feel very or fairly lonely, according to a 2023 <u>Meta-Gallup survey</u>. Ensuring that people can build connections is more important than ever. Employers have a unique opportunity to foster a sense of community in the workplace – our research shows that employees see that as a major benefit of work.

Work can positively impact employees' lives

Employees were asked how work has positively impacted their personal lives in the past year



When asked how work has positively impacted their personal lives, 53% of employees say that it helped them find a community of people with similar backgrounds or lived experiences, and 44% say it helped them build connections and feel less lonely. Despite a shift to remote work for many, people continue to see the workplace as a source of community and connection, whether they're interacting with their co-workers face to face or online. Promisingly, this is true across generations as well. All generations of workers report that the number one positive impact from work is community.

This creates a huge opportunity for organizations to better support employee mental health and reduce loneliness and its downstream effects. According to the <u>CDC</u>, loneliness costs the U.S. economy an estimated \$406 billion per year, and social isolation can increase the risk of dementia by 50%, heart disease by 29%, and stroke by 32%.

How can you make sure your workplace creates the opportunity for connection?



✓ Invest in Employee Resource Groups (ERGs)

ERGs can create a safe space for employees to connect with individuals of similar backgrounds and lived experiences and can also be a source of knowledge and leadership to build a more inclusive, equitable workplace. They also create opportunities to hold events and foster dialogue where people can share their lived experiences in the workplace.

"Now, more than ever, it is important to underscore that focusing on diversity, equity, inclusion, and belonging is not a zero sum game. In fact, when we focus on these areas intentionally and collectively, organizations benefit in ways that are directly tied to margins improvement and an acceleration in innovations that set them apart from their competitors. Everyone wins."



Dr. Wizdom Powell Chief Purpose Officer, Headspace

Create time for personal connection

Consider using time during the workday to help employees bond, whether that be at the beginning of meetings or during lunch. For remote companies, virtual "coffee meet-ups" with new people or Slack channels for different interests (i.e., pets, music, food, or travel) can help employees get to know the person behind the face they see on their screen. In-person or virtual "offsites" can also help teams to connect on a more personal level and build connections that foster deeper collaboration.

Encourage peer-to-peer and/or intergenerational mentorship

Our data shows that different generations of workers have more in common than we think. Given that all generations feel similarly about how work positively impacts their lives, provide employees with an opportunity to connect and learn from one another, fostering opportunities for community and professional development. Managers and organizational leaders can enable mentorship by connecting employees or pointing them in the direction of a colleague who is open to mentoring and has beneficial, shareable skills.

THREE

Managers play a critical role in fostering healthy workplaces – but they need more support

Only 24% of HR leaders report that managers are required to take mental healthspecific training

It may come as no surprise that a person's relationship with their manager has a major impact on their perception of their job and on their mental health.

Data from <u>UKG</u> suggests that for almost 70% of people, their manager has more impact on their mental health than their therapist or their doctor — and it's equal to the impact of their partner. Unfortunately, the vast majority of employees (97%) report that their mental and emotional wellbeing has been negatively impacted by their manager in the past year. 43% of employees say their managers have negatively impacted them by lacking an understanding of life outside or work or by treating team members unequally.

In the past year, how has your manager <u>negatively</u> impacted your emotional and mental health?

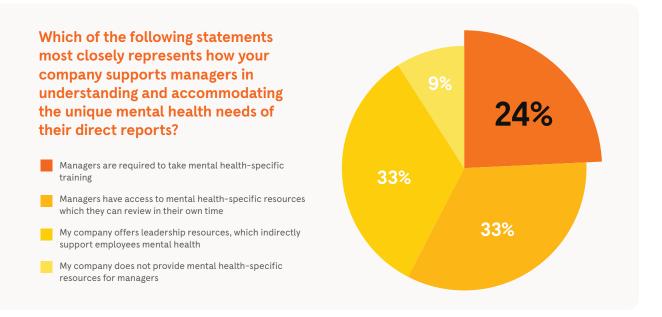
43% Lack of understanding of life outside work
43% Treated team members unequally
41% Lack of respect for working hours boundaries
40% Set an unsustainable workload
39% Enabled a toxic work environment
3% My manager hasn't negatively impacted my mental health

In the past year, how has your manager <u>positively</u> impacted your emotional and mental health?



What's promising is that, conversely, managers can *also* have a positive impact on employee mental health. Nearly 60% of employees report that their manager positively impacted them by being flexible with work to accommodate personal issues, and more than half say their manager positively impacted them by providing mentorship for a professional issue.

Despite the potential that managers have to make a positive impact on their direct reports' workplace experience, they're often not well-prepared to support their employees. While 48% of employees report turning to their managers for mental health support, only 24% of HR leaders say managers are required to take mental health-specific training. This creates a major gap: while the pressure is on managers to maintain healthy workplaces and support mental health, their organizations are not giving them the resources they need to do so.



This pressure on managers – and the ongoing responsibility falling to HR teams – means that HR people managers are doubly feeling these impacts. Not only are they responsible for directly supporting their team's productivity and professional development, they're also accountable for supporting workplace cultures and connecting individuals with their mental health benefits. Despite the additional pressure they are facing, Headspace's data found that more than a third (34%) of HR team managers did not use their benefits in the past year. With all of this in mind, it's more important than ever to consider additional support for HR managers.

How can you best enable managers to support their teams' mental health?



Provide leadership training and mental health-specific training

To make sure that managers are equipped to not only lead their teams, but also support their team members when mental health challenges arise, provide them with the training and resources to lead confidently and offer meaningful support. Leadership training on topics like leading authentic 1:1s and managing burnout can help managers identify tools and strategies to help them build the skills to be strong leaders.

Better prepare managers to respond to global events

Knowing the impact that global events have on mental health - in and out of the workplace - organizations can prepare managers with response toolkits and strategies to support teams during tough times. This extra step will meaningfully support managers who are not only facing uncertainty themselves, but may feel the pressure to provide answers and guidance to their direct reports.

\checkmark Make sure managers and HR leaders have the tools – and the time – to care for their own mental health

Ensure that managers and HR leaders can easily access mental health support, whether that be through on-demand texting with mental health coaches or virtual therapy sessions. Encourage managers to leverage mental health support offered by your company and model healthy behaviors for their teams.

W Empower managers to make the best decisions for their teams

At the end of the day, managers know their teams best. Give them the independence to create environments and policies that drive healthier cultures and more productivity, whether that's increasing flexibility in team schedules, including team members in strategic planning, or defining their own team's scope and boundaries, to name a few.

FOUR When it comes to employee mental health resources, trust is paramount

89% of employees report that their company's leaders speak about their own mental health

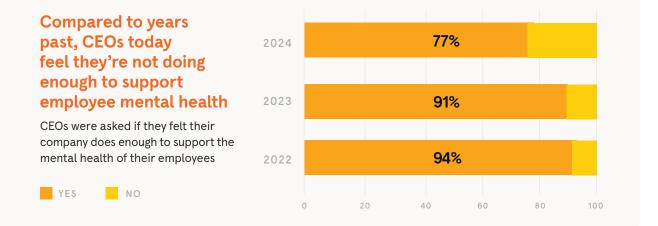
15

For many employees, in order to feel psychologically safe in a workplace and comfortable speaking up about their mental health, they must have trust in their employer.

Fortunately, we've seen significant growth in the ways that leaders are creating trusted environments where employees can do what they need to support their own mental health.



However, there is always room for improvement, and CEOs are becoming increasingly aware of how a company can support employees and their mental health. While the majority (96%) of CEOs reported that their company does enough to support employees' mental health in 2021, only 78% report that they do so today. This is an indicator that as leaders recognize the challenges to mental wellbeing today and the importance of offering mental health benefits to employees, they also see gaps in their approaches and the opportunity to better support their teams.



This new level of transparency around mental health has had a positive ripple effect on minimizing stigma around mental health and meeting employee expectations, as well. Employees are more likely today to say their employer is responsible for helping them manage their mental health (93% in 2024 versus 81% in 2022).



of employees believe their employer is responsible for helping them manage their mental health

Given the state of the world and the impact that difficult global events can have on a person, it's important that organizations prioritize communication through tough times - despite how challenging that may be. 98% of employees report that global trends impact their mental health at work, and 90% of employees think their employer should respond to employee needs during global events. Promisingly, 95% of CEOs agree. When global events cause emotions like stress, anxiety, and fear, organizations have an opportunity to support employees in a meaningful way, providing mental health resources and spaces for connection and support.

It's promising to see this increase in employee trust and leader transparency when it comes to mental health and communicating about tough topics. This trust can have positive impacts down the line, as more employees feel comfortable taking steps to support their mental health and reduce stress, enabling them to show up as their best selves at work.

However, this trust may be at risk. Both HR leaders and CEOs were more than 20% less likely to say that they would increase mental health benefits in a recession in 2024 compared to 2023, and reported that they were more likely to decrease benefits in a recession.

How can you ensure employee trust in their company continues to grow?



Now is not the time to pull back on mental health resources

Given economic uncertainty, global unrest, and the known impact of work stress on mental health in and out of work, employers have an opportunity to prevent poor mental health by offering resources that not only benefit employees, but create direct cost savings on claims spending, as well as positive outcomes in the workplace (i.e., increased productivity and presenteeism). Rather than pulling back on resources during difficult times, take the opportunity to present mental health and wellbeing support to employees when they need it most.

Create mental health literacy campaigns within your organization

The first step to engaging employees in mental health benefits is letting them know that the benefits exist. Implementing mental health literacy campaigns that showcase the services available to employees and their families further reinforces organizational commitment and increases employee access and engagement in mental health services.



Employees at Headspace client Ericsson experienced <u>10%</u> <u>decrease</u> in physiological stress after 10 days of Headspace.

Lead with transparency

Create an environment where employees feel confident in the state of the business and the support of their leaders by soliciting questions from your team (e.g., an "Ask Me Anything" with the CEO or executive team). Be open to opportunities to share more transparently. These forums create the opportunity for leaders to openly acknowledge when mistakes are made and validate employee concerns when they arise, creating a culture of transparency and safety.



FIVE

With continued instability, building employee mental resilience is increasingly important



9 in 10 CEOs say they're concerned about employees having the mental strength to respond to changes

Given the continued instability both in workplaces and in the world as a whole, employees are facing more frequent challenges to their mental health.

Less than a quarter of employees report they were able to simply move on after a major issue at work - meaning that work issues caused a disruption in productivity at best, and caused an employee to quit, at worst.

Leaders are recognizing these challenges for employees. 9 in 10 CEOs say they're concerned about employee mental strength to respond to changes, and nearly half (49%) of HR leaders say that the level of mental health leave of absences is increasing.

Promisingly, employees are seeing the benefits of mental health resources during tough times. 97% of employees report feeling better after using company-provided mental health benefits. This indicates an opportunity for employers: when employees turn to you for support, make sure you're ready to give it.

How can you better support employee mental strength?



✓ Invest in resources to improve mental resilience

Empower employees with constructive, tangible tools that allow them to work with - rather than against - their emotions. For example, workplace culture experts Liz Fosslien and Molly West Duffy co-created a content collection in partnership with LinkedIn and Headspace, "Life Skills: Emotions at Work," to help employees learn to cope with work-related emotional stress, such as burnout, confrontation, criticism, and more. These tools can help employees foster a growth mindset to overcome these workplace challenges and give them actionable tips that can be taken to create a healthy working life.





of HR leaders say that mental health leaves of absences are increasing

Build structures that support basic needs

Much of our mental health is impacted by our ability to consistently meet our daily basic needs. Ensuring that employees are encouraged to eat during their shifts and are given time to do so is a small but powerful thing. Scheduling small windows that encourage employees to meet their basic needs can go a long way in sustaining their overall health.

Support employees returning from mental health leaves of absence

Develop clear policies around returning to work after a mental health-related leave of absence that help employees understand how to ramp back up in a way that will be productive for them, rather than cause added stress. When an employee takes leave, be sure to develop clear coverage plans for their workload, so each employee's scope of work is clear.

Create a foundation of community that can help support

Lean on ERGs, which often serve as subject matter experts on various cultural issues or conflicts, for guidance on how to support communities within your organization that may be particularly impacted by different events. Recognize the value that communities play in helping employees build resilience, and encourage ERGs to create space for support to improve employees' abilities to bounce back after tough times.

Conclusion

With the rapid change that's happened in only a few years, along with it has come rapid change in the way we think about work and how it interacts with our lives. The workplace is not as separate from our personal lives as it once was. This can bring positives, like a sense of community and increased confidence. However, it can also negatively impact our mental and physical health and limit our ability to be fully present with our loved ones outside of work.

This means that employers now have a growing responsibility to consider the way that their support of employees at work impacts lives outside of work. Knowing that stress at work and poor mental health result in poor physical health, it is in employers' best interests to create happy, healthy workplaces, as it reduces healthcare costs and improves productivity. There are a number of ways employers can take action today, from leading with transparency and doubling down on mental health benefits to empowering managers with the training and resources to better support employees. By recognizing the motivations of employees and the desire to be their best selves at work and outside of work, leaders can create healthy, empowering workplaces that drive business results and support their teams. These positive changes can also improve employee recruitment and retention – creating stronger organizations.

Headspace is mental healthcare reimagined, delivering guided meditation, coaching, clinical care and work-life services. Interested in how Headspace can support you and your organization? <u>Contact us here.</u>





